

**VIKING GRAIN STORAGE LIMITED**

**FINANCIAL STATEMENTS**

**31 July 1997**

**Registered Number 1434539**



**VIKING GRAIN STORAGE LIMITED**

**FINANCIAL STATEMENTS**

**for the year ended 31 July 1997**

**CONTENTS**

	<b>Pages</b>
Company information	1
Directors' report	2 - 3
Auditors' report	4
Profit and loss account	5
Statement of total recognised gains and losses	5
Balance sheet	6
Notes	7 - 12

**The following pages do not form part of the statutory accounts**

Detailed trading and profit and loss account	13 - 14
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# VIKING GRAIN STORAGE LIMITED

## DIRECTORS

E.O. Spencer - Chairman

T.A. Casswell

R.W.W. Easom

K.J. Eggleston

M.J. Grimes

R.A. Hamilton

K. Johnson

C.D. Smith

J.A. Stevenson

D.N. Storer

## SECRETARY

Mrs J. Craft

## REGISTERED OFFICE

Honey Pot Lane  
Colsterworth  
Grantham  
Lincolnshire

## AUDITORS

Kidsons Impey  
Welland House  
High Street  
Spalding  
Lincolnshire

# VIKING GRAIN STORAGE LIMITED

## DIRECTORS' REPORT

31 July 1997

The directors present their report and the audited financial statements for the year ended 31 July 1997.

### Principal activities

The company is a co-operative whose principal activity is the storage and drying of grain on behalf of its members.

### Business review

Turnover showed a considerable increase over the previous year due to a large harvest and substantial drying income.

### Profit, dividends and appropriations

The results for the year are shown in the profit and loss account on page 5.

### Tangible fixed assets

Movements of tangible fixed assets are given in note 7 to the financial statements.

### Future developments

The company will continue its efforts to increase the members tonnage stored both by recruiting new members and increasing existing members' commitment.

### Directors

The interest of the directors either directly or through the farm they represent, in the ordinary shares of the company at 31 July 1996 and 1997 were:-

	1997	1996
T.A. Casswell	1	1
R.W.W. Easom	1	1
K.J. Eggleston	1	1
M.J. Grimes	1	1
R.A. Hamilton	1	1
K. Johnson	1	1
C.D. Smith	1	1
E.O. Spencer	-	-
J.A. Stevenson	1	1
D.N. Storer	1	1

In accordance with the articles of association D.N. Storer, T.A. Casswell and R.A. Hamilton retire by rotation, and being eligible offer themselves for re-election.

**VIKING GRAIN STORAGE LIMITED**

**DIRECTORS' REPORT**

**31 July 1997**

(continued)

**Statement of directors' responsibilities**

We are required under company law to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company, and of the profit and loss of the company for that period.

In preparing these financial statements we are required to:-

Select suitable accounting policies and apply them consistently

Make reasonable and prudent judgements and estimates

State whether accounting standards have been followed, and give details of any departures

Prepare the financial statements on a going concern basis unless in our view the company will be unable to continue in business.

We are also responsible for:-

Keeping proper accounting records

Safeguarding the company's assets

Taking reasonable steps for the prevention and detection of fraud.

**Auditors**

Kidsons Impey have agreed to offer themselves for re-appointment as auditors of the company.

On behalf of the board



Secretary

Honey Pot Lane  
Colsterworth  
Grantham  
Lincs

13th November 1997

**VIKING GRAIN STORAGE LIMITED**

**AUDITORS' REPORT**

**Auditors' report to the shareholders of**

**Viking Grain Storage Limited**

We have audited the financial statements on pages 5 to 12 which have been prepared under the accounting policies set out on page 7.

**Respective responsibilities of directors and auditors**

As described on pages 2 and 3 the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

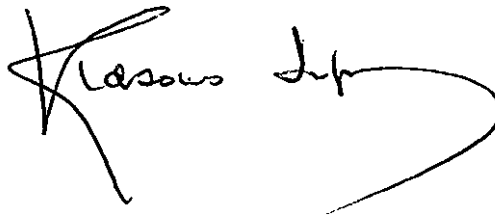
**Basis of opinion**

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

**Opinion**

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 July 1997 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

A handwritten signature in black ink, appearing to read 'Spalding', with a large, sweeping flourish extending to the right.

Spalding

13th November 1997

Kidsons Impey  
Registered Auditors  
Chartered Accountants

# VIKING GRAIN STORAGE LIMITED

## PROFIT AND LOSS ACCOUNT

for the year ended 31 July 1997

	Note	1997 £	1996 £
<b>Turnover</b>		424,339	266,301
Operating charges		(154,681)	(108,496)
		269,658	157,805
Administrative expenses		(174,626)	(157,135)
<b>Operating profit</b>	2	95,032	670
Interest payable	4	(13,523)	(12,925)
Interest receivable	5	<u>4,577</u>	—
<b>Profit/(loss) on ordinary activities before taxation</b>		86,086	(12,255)
Taxation	6	<u>(782)</u>	—
<b>Retained profit/(loss) for the year</b>		<u>85,304</u>	(12,255)
The retained profit/(loss) is allocated as follows:			
Net initial contribution reserve	16	17,595	30,705
Revenue reserves	16	<u>67,709</u>	(42,960)
		<u>85,304</u>	(12,255)

## STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

for the year ended 31 July 1997

	1997 £	1996 £
<b>Profit/(loss) for the financial year</b>	85,304	(12,255)
Unrealised surplus on revaluation of property	142,113	—
Remedial works expenditure	—	(13,838)
<b>Total gains and losses recognised since last annual report</b>	<u>227,417</u>	(26,093)

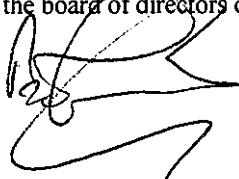
# VIKING GRAIN STORAGE LIMITED

## BALANCE SHEET

at 31 July 1997

	Note	1997	1996
		£	£
<b>Fixed assets</b>			
Tangible assets	7	856,924	746,668
Investments	8	<u>1,004</u>	<u>1,004</u>
		857,928	747,672
<b>Current assets</b>			
Stocks	9	1,200	1,200
Debtors	10	21,879	22,321
Bank account		<u>46,329</u>	<u>-</u>
		69,408	23,521
<b>Creditors: amounts falling due within one year</b>	11	<u>(83,311)</u>	<u>(126,009)</u>
<b>Net current liabilities</b>		<u>(13,903)</u>	<u>(102,488)</u>
<b>Total assets less current liabilities</b>		844,025	645,184
<b>Creditors: amounts falling due after more than one year</b>	12	<u>(110,421)</u>	<u>(138,998)</u>
		<u>733,604</u>	<u>506,186</u>
<b>Capital and reserves</b>			
Share capital	14	73	72
Revaluation reserve	17	142,113	-
Profit and loss account	16	<u>591,418</u>	<u>506,114</u>
<b>Total equity shareholders' funds</b>	13	<u>733,604</u>	<u>506,186</u>

The financial statements on pages 5 to 12 were approved by the board of directors on 13th November 1997.



)  
) Director  
)



**VIKING GRAIN STORAGE LIMITED**  
**NOTES ON FINANCIAL STATEMENTS**

31 July 1997

**1 Principal accounting policies**

**Basis of accounting**

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost accounting rules, except for freehold land which is stated at valuation and for the treatment of Government Grants which is set out below.

The company has taken advantage of the exemption from preparing a cashflow statement conferred by Financial Reporting Standard No 1 on the grounds that it is entitled to the exemptions available in Section 246 to 247 of the Companies Act 1985 for small companies.

**Turnover**

Turnover represents levies and charges in connection with the storage of grain and other produce together with other related income.

**Associated undertakings**

The associated undertaking is an undertaking in which the company has 50% of the equity voting rights held as a long term investment and over which it exerts significant influence.

**Depreciation**

Depreciation of fixed assets is charged by equal annual instalments commencing with the year of acquisition at rates estimated to write off their cost or valuation less any residual value over the expected useful lives which are as follows:-

Freehold land	Nil
Civil works, silos and stores	25 years
Plant	6 2/3 years or 4 years
Motor vehicles	4 years

**Government grants**

Grants from both the United Kingdom Government and the European Economic Community for capital expenditure are being written back to accommodate any contingent liability arising if the grant conditions are breached. In previous years grants were written back pro rata to depreciation. This treatment does not comply with Statement of Standard Accounting Practice 4.

**Stocks**

Stocks are valued at the lower of cost and net realisable value.

**Taxation**

The company is a mutual trading company, and any taxation arising is on investment income and non-member trading only.

VIKING GRAIN STORAGE LIMITED

NOTES ON FINANCIAL STATEMENTS

31 July 1997

(continued)

	1997 £	1996 £
<b>2 Operating profit</b>		
Operating profit is stated after crediting		
Profit on sale of fixed assets	<u>1,084</u>	<u>-</u>
Grant write-back	<u>11,640</u>	<u>11,640</u>
<b>and after charging</b>		
Auditors' remuneration	<u>2,000</u>	<u>1,500</u>
Directors' fees and expenses	<u>5,936</u>	<u>6,796</u>
Depreciation of tangible fixed assets		
- Owned assets	<u>78,637</u>	<u>68,856</u>
<b>3 Directors and Employees</b>		
Staff costs including directors' emoluments		
Wages and salaries	69,178	61,313
Social security costs	4,674	4,306
Other pension costs	<u>1,641</u>	<u>1,751</u>
	<u>75,493</u>	<u>67,370</u>
	Number	Number
Average number employed excluding directors		
Production	3	3
	1997 £	1996 £
<b>Directors emoluments</b>		
Chairman	-	-
Other non executive directors	<u>5,450</u>	<u>5,450</u>
	<u>5,450</u>	<u>5,450</u>
<b>4 Interest payable</b>		
Bank loan	10,717	12,255
Bank overdraft	<u>2,806</u>	<u>670</u>
	<u>13,523</u>	<u>12,925</u>
<b>5 Interest receivable</b>		
Loan interest	<u>4,577</u>	<u>-</u>

**VIKING GRAIN STORAGE LIMITED**  
**NOTES ON FINANCIAL STATEMENTS**

**31 July 1997**

(continued)

<b>6</b>	<b>Taxation</b>	<b>1997</b> £	<b>1996</b> £
	Corporation tax payable at 24%	<u>782</u>	<u>—</u>

The company trades as a mutual enterprise and as such is only subject to taxation upon its non-member trading and interest on temporary deposits.

**7 Tangible fixed assets**

	Freehold Land £	Civil works silos and stores £	Plant £	Motor vehicles £	Total £
<b>Cost</b>					
31 July 1996	37,887	1,311,995	634,244	10,466	1,994,592
Additions	—	17,174	21,361	10,860	49,395
Disposals	—	—	—	(10,466)	(10,466)
Surplus on revaluation	<u>142,113</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>142,113</u>
31 July 1997	<u>180,000</u>	<u>1,329,169</u>	<u>655,605</u>	<u>10,860</u>	<u>2,175,634</u>
<b>Depreciation</b>					
31 July 1996	—	710,357	529,716	7,851	1,247,924
Charge for year	—	52,632	24,647	1,358	78,637
Disposals	<u>—</u>	<u>—</u>	<u>—</u>	<u>(7,851)</u>	<u>(7,851)</u>
31 July 1997	<u>—</u>	<u>762,989</u>	<u>554,363</u>	<u>1,358</u>	<u>1,318,710</u>
<b>Net book amount</b>					
31 July 1997	<u>180,000</u>	<u>566,180</u>	<u>101,242</u>	<u>9,502</u>	<u>856,924</u>
31 July 1996	<u>37,887</u>	<u>601,638</u>	<u>104,528</u>	<u>2,615</u>	<u>746,668</u>

**Freehold land at valuation**

Revaluation 18th February 1997 by Frank Innes, Chartered Surveyor	<b>1997</b> £	<b>1996</b> £
	<u>180,000</u>	<u>—</u>

The freehold land is valued at open market value assuming vacant possession.

**Future capital commitments**

Hire purchase contracts	<b>1997</b> £	<b>1996</b> £
	<u>42,250</u>	<u>—</u>

**8 Fixed assets investment**

The company holds 1,004 ordinary shares of £1 each representing 50% of the issued share capital of Viking Services Limited a company incorporated in England.

The company's attributable interest in that company's net assets at 31 July 1997 is £1,442.

**VIKING GRAIN STORAGE LIMITED**  
**NOTES ON FINANCIAL STATEMENTS**

31 July 1997

(continued)

	1997 £	1996 £
<b>9 Stocks</b>		
Spares and sundries	<u>1,200</u>	<u>1,200</u>
<b>10 Debtors</b>		
<b>Amounts falling due within one year</b>		
Trade debtors	5,409	12,941
Other debtors	2,497	5,799
Prepayments and accrued income	<u>13,973</u>	<u>3,581</u>
	<u>21,879</u>	<u>22,321</u>
<b>11 Creditors: amounts falling due within one year</b>		
Bank loan	17,205	15,668
Bank overdraft and loan	-	60,434
Trade creditors	1,407	3,106
Other taxes and social security	1,237	1,817
Associated undertakings	33,020	28,071
Accruals	18,814	5,273
Unamortised grants	<u>11,628</u>	<u>11,640</u>
	<u>83,311</u>	<u>126,009</u>

The bank facilities are secured by a mortgage debenture dated 22.05.91 over the company's freehold land, in favour of National Westminster Bank plc.

	1997 £	1996 £
<b>12 Creditors: amounts falling due after more than one year</b>		
Bank loan	110,421	127,370
Unamortised grants	<u>-</u>	<u>11,628</u>
	<u>110,421</u>	<u>138,998</u>

**Bank loan**

Amounts fall due on the bank loan as follows

In one year or less (see note 9)	17,205	15,668
Between two and five years	83,694	77,745
Over five years	<u>26,727</u>	<u>49,625</u>
	<u>127,626</u>	<u>143,038</u>

The bank loan is repayable by monthly instalments of £2,177.46 until September 2003 which includes interest at 2% above base per annum.

**VIKING GRAIN STORAGE LIMITED**  
**NOTES ON FINANCIAL STATEMENTS**

31 July 1997

(continued)

	1997 £	1996 £
<b>13 Reconciliation of shareholders funds</b>		
Profit/(loss) for the financial year	85,304	(12,255)
Other recognised gains and losses relating to the year (net)	142,113	(13,838)
Issue of shares	<u>1</u>	<u>1</u>
Net addition to/(subtraction) from shareholders' funds	227,418	(26,092)
Opening shareholders' funds	<u>506,186</u>	<u>532,278</u>
Closing shareholders' funds	<u>733,604</u>	<u>506,186</u>

	1997		1996	
	Number of shares	£	Number of shares	£
<b>14 Share capital (equity)</b>				
Authorised				
Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>
Allotted called up and fully paid				
Ordinary shares of £1 each				
Active members	<u>73</u>	<u>73</u>	<u>72</u>	<u>72</u>

	1997 £	1996 £
<b>15 Remedial works accounts</b>		
31 July 1996	-	13,838
Expenditure during year	<u>-</u>	<u>(13,838)</u>
31 July 1997	<u>-</u>	<u>-</u>

This account represents sums received in respect of faulty work on fixed assets in previous years. As remedial work is performed to correct the faulty work it is charged against this account.

**VIKING GRAIN STORAGE LIMITED**  
**NOTES ON FINANCIAL STATEMENTS**

31 July 1997

(continued)

	1997 £	1996 £
<b>16 Profit and loss account</b>		
<b>Revenue reserves</b>		
31 July 1996	64,836	107,796
Profit/(loss) for the year	<u>67,709</u>	<u>(42,960)</u>
31 July 1997	<u>132,545</u>	<u>64,836</u>
<b>Initial contribution reserve</b>		
31 July 1996	441,278	410,573
Received in the year	20,930	30,705
Repaid to outgoing members	<u>(3,335)</u>	<u>-</u>
31 July 1997	<u>458,873</u>	<u>441,278</u>
Total reserves	<u>591,418</u>	<u>506,114</u>
<b>17 Revaluation reserve</b>		
Surplus on revaluation February 1997	<u>142,113</u>	<u>-</u>
31st July 1997	<u>142,113</u>	<u>-</u>

**18 Contingent liabilities**

There is a contingent liability to repay grants already received if there is non-compliance with the conditions for the giving of such grants. The Board are of the opinion that all conditions have been met.

**19 Related party transactions**

The company is related to Viking Cereals Limited. During the year the company received £51,475 from Viking Cereals Limited in respect of storage, drying and cleaning services provided. The company also paid £133,999 to Viking Cereals Limited for haulage and drying and storage costs incurred together with £18,350 in respect of administration costs recharged. At the year end the company owed Viking Cereals Limited £26,866.

The company made a loan amounting to £200,000 to Viking Cereals Limited during the year and received interest thereon amounting to £4,577. The loan was fully repaid during the year.

The following directors are also directors/owners of businesses to whom the company has supplied services during the year.

T.A. Casswell  
R.W.W. Easom  
K.J. Eggleston

M.J. Grimes  
R.A. Hamilton  
K. Johnson

C.D. Smith  
J.A. Stevenson  
D.N. Storer

The total services supplied to these businesses during the year amounted to £35,632. All this trade was carried out on normal commercial terms.